

Mr. CONRAD. Will the Senator yield on that point?

Mr. KYL. I will. I will conclude saying, I hope my colleagues will in a bipartisan way, as they did last year, support the proposal I have just laid down. And while we will be doing it on Thursday, I gather, they will be able to listen to a little of the debate if they are listening now.

I am happy to yield.

Mr. CONRAD. If I can address one of the concerns of the Senator, when we vote—this is a very awkward question, I say to my colleague. Let me be very direct about what it is. We are missing two of our votes. We have a third Member who is ill. So what we have said is we would defer votes on these major matters until at least some of our Members are back. The body is very closely divided. We are completely ready to have votes on other matters throughout this day. The problem is, with the major votes on these consequential issues where we are missing two of our Presidential candidates until tomorrow—they will be here Thursday and Friday—and we are missing Senator BYRD who, as you know, is ill, that is the reason we have asked to defer votes on these major amendments until tomorrow. It is a difficult situation. It has been throughout.

I do thank the Republican caucus for the extraordinary courtesy they extended to the Budget Committee by allowing Senator BYRD to vote—to allow proxy voting in our committee. Our committee does not allow proxy voting, and for a very good reason. We are the only committee that can report a fast-track vehicle to the Senate floor directly. But I do thank the Republican side for doing that. It was very gracious. I think it was in the best tradition of the Senate.

Here on the Senate floor, of course, there is no ability to allow that accommodation to a colleague who is ill. That is the circumstance. I regret it. I just say to my colleague, we are happy to have as many votes as you want to have. The reason we have deferred these major votes until tomorrow is for the reason I have given.

Mr. KYL. Mr. President, I appreciate that. In suggesting another reason for this, I do not think I am wrong in that, but I do acknowledge that certainly what the chairman of the Budget Committee has said is true. I appreciate his acknowledgment of our courtesy with respect to Senator BYRD. I know the Democratic side would do the same thing. That was done on a previous occasion last year as well. It is one of the better traditions of the Senate.

It is also true probably this is not the first time this year because, for the first time in the history of the United States, I am informed, two Senators will be running against each other for the Presidency so that there may be other occasions where, when there are very close votes, our schedule may to some extent need to accommodate their schedules. Of course, as Members

of this body they need to be here to do business as well, but we understand that is not always possible. If we could adhere to a slightly more set schedule that might be possible, but since we don't and it is almost impossible to have that kind of schedule, that issue is one that has to be accommodated, and I appreciate what the chairman said.

I do hope the trend we have seen from 2 years ago to last year to this year of not having votes early on during the week that we consider the budget, but bunching them all at the end, a process which I don't think anybody in this body really likes, would not continue; that certainly the reason the chairman indicated will not pertain next year and that we can revert to the practice next year that we have traditionally followed, which is to try to have debate on amendments, votes, and then debate and then votes, and so on, hopefully, thereby minimizing the number of votes that we consider in this so-called vote-athon that, as I said, nobody in this body likes very much.

Mr. CONRAD. Mr. President, I would just say to my colleague, last year we did much better.

Mr. KYL. Than this year.

Mr. CONRAD. You remember last year we did more votes earlier. Just in line with what the Senator is thinking because that is the best way. I think all of us would agree that is the best way to do our business, to do the votes earlier. You will recall on the vote-arama on that Friday we actually finished at 2 o'clock in the afternoon because we did have more votes earlier. I am entirely, 100 percent in agreement with the Senator. I would far prefer to do it that way. I think it is easier to follow the debate and to have the votes then coincident with the debate.

(Mr. DURBIN assumed the Chair.)

Mr. CONRAD. Mr. President, if I might, just on the underlying amendment offered by the Senator, this amendment as we understand it—we have just seen it—would virtually eliminate the estate tax. Let me say why. Let me first say there is no death tax in the country. Of course, if you poll people and you ask them: Do you want to eliminate the death tax? they will say sure. I had a baggage handler stop a colleague of mine, and he said: My No. 1 priority is to eliminate that death tax. My colleague, who is the current occupant of the chair, told him there is no death tax here. You are not going to pay any tax when you die unless you have \$2 million.

The guy was very surprised about that because he heard all this talk about a death tax. There is no death tax in America. There is a tax on estates. At today's level you would have to have \$2 million to be taxed. That affects only one-half of 1 percent of estates. When the exemption increases, as it does under current law, and reaches \$3.5 million per individual, \$7 million a couple in 2009, which is next

year, only two-tenths of estates will be taxed.

If you are out there and you are hearing about this death tax, don't worry. It does not apply, next year, to 99.8 percent of people who pass away. It only applies to two-tenths of 1 percent of estates.

We already have a tax structure that has overwhelmingly benefited the wealthiest among us. The amendment by the Senator would cost an additional \$478 billion over 10 years, and none of it is paid for. That means it goes on the debt. That means we have to borrow that amount of money, and where are we going to borrow it? We are now borrowing over half the money at our bond auctions from abroad—most of it from the Chinese and the Japanese. So we would have, if the amendment of the Senator is agreed to as is, the unusual situation of borrowing this money primarily from China and Japan to give a tax advantage to two-tenths of 1 percent of the people, but the borrowing would be in the name of all of the American people. So 99.8 percent of the American people would be borrowing this money, primarily from China and Japan, to give it to the Warren Buffets, the Paris Hiltons, and others of enormous wealth in this country.

I do not think that is a good policy. In the underlying budget, we have improved the estate tax situation, reformed it in what is, I think, a reasonable way. This is the bizarre circumstance that is in current law. The exemption now, in 2008, is \$4 million—\$2 million a person. OK? So if you are a husband or wife and you pass away at the same time, you have \$4 million of exemption that applies today. You don't pay anything if you have estates of less than \$4 million.

In 2009 that will go up to \$7 million. Then in 2010, under current law, there is no estate tax, it is repealed. Then, in 2011—it is utterly bizarre—it goes down to \$2 million per couple, \$1 million a person.

In the underlying budget we are saying, no, that makes no sense at all to go back down to \$2 million a couple, \$1 million a person. It should be at \$7 million a couple, as it is in 2009. If, in fact, we adopt those levels, virtually no one will pay the estate tax. That is a fact.

Here is what has happened under current law: The number of estates that are taxed is falling very dramatically. In 2000, there were 50,000 taxable estates. In 2006, that has been reduced to 13,000. In 2009, we are now expecting there will only be 7,000 estates that will pay anything. As I indicated, that is two-tenths of 1 percent; 99.8 percent of estates are completely exempt. That is a fact.

Now I am going to lay down an amendment.

Mr. GREGG. Would the Senator yield for a question?

Mr. CONRAD. I would be happy to yield.

Mr. GREGG. Is it my understanding you are telling us how many people are